changes induced by the impact of the West, Shansi bankers were a recognized part of the economic life of the Empire and were found in the principal towns and cities. They did not constitute a corporation, for no such device existed, but they cooperated as a close association of the prominent banking families of Shansi, and the agents and employees seem usually to have been from that province. It was through them that the government transmitted much of its funds, they assisted the state in other ways, and in turn were accorded official patronage.

In spite of this banking system, credit played a less prominent part in the commercial life of China than of the West. Loans there were, and merchants were often deeply in debt. The New Year's season was famous, among other reasons, as the time by which debts must be met. To a less extent, the fifth and the eighth month festivals were a time for paying bills. When loans were needed, they were often obtained through a cooperative effort. Several people clubbed together and contributed equal sums to a common fund. The use of the fund went to each member for a given length of time. When all had had their turn, the organization was dissolved. However, a large proportion of the business of the country was conducted on the basis of cash transactions.

Farmers sold to townspeople for cash, and merchants usually demanded cash. The actual exchange of commodities, without money as an intermediary, seems to have been much more frequent than in the modern West. There was much less advancing of credit by one merchant to another than in the present-day Occident. Interest rates were high, and mobile capital comparatively scarce. Much of the country's wealth was in land, and the majority of the Empire's richest men seem not to

have been merchants but officials. The characteristic form of endowment for a temple, or for any other purpose, was not stocks and bonds, as in the modern Occident, but lands.

TRANSPORTATION

The internal commerce of China has inevitably been dependent on transportation. Here the achievement has been decidedly a mixture of success and failure. The Chinese have displayed great skill in utilizing their waterways. Practically every stream that can be considered at all navigable has its boat traffic. For